GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3384
ANSWERED ON:20.08.2004
FOREIGN INVESTEMENT IN INDIA QUESTION
Singh Shri Mohan

Will the Minister of FINANCE be pleased to state:

(a)Whether India has emerged at the top regarding Foreign Direct Investment as reported in Indian Express dated 23.7.2004;

(b) If so, the facts of the matter and reaction of the Government thereto;

(c) The name of the sectors m which Foreign Direct Investment increased during last two years ;and

(d) The step taken by the Goverment to attract more Foreign Direct Investement

Answer

To be Answered by Minister of State in the Ministry of Finance (Shri S.S. Palanimanickam)

(a) and (b) : United Nation Conference on Trade and Development(UNCTAD) has rated India as the second `hottest` investment destination for the next four years. AT Kearney,a global management consulting firm has also rated India as the best BPO destination and the sixth most attractive investment destination in terms of FDI 2002/2003 over calendar year 2001 is given in the

(d) : Government has put in place a liberal and transparent Foreign Direct Investment up to 100% is permitted on the automatic route for most activities/sectors except for a few sectors where caps have been prescribed. In the Budget speech 2004-05, Finance Minister has announced establishing an Investment Commission for wooing domestic and foreign investors. Further FDI will continue to be encouraged and actively sought, particularly in the areas of infrastructure, high technology and exports.